

# Appendix C:

## Task 3 - Analysis of Costs and Benefits: Policy Paths A & B Modeled Incentives

Massachusetts Net Metering and Solar Task Force



Sustainable Energy  
Advantage, LLC



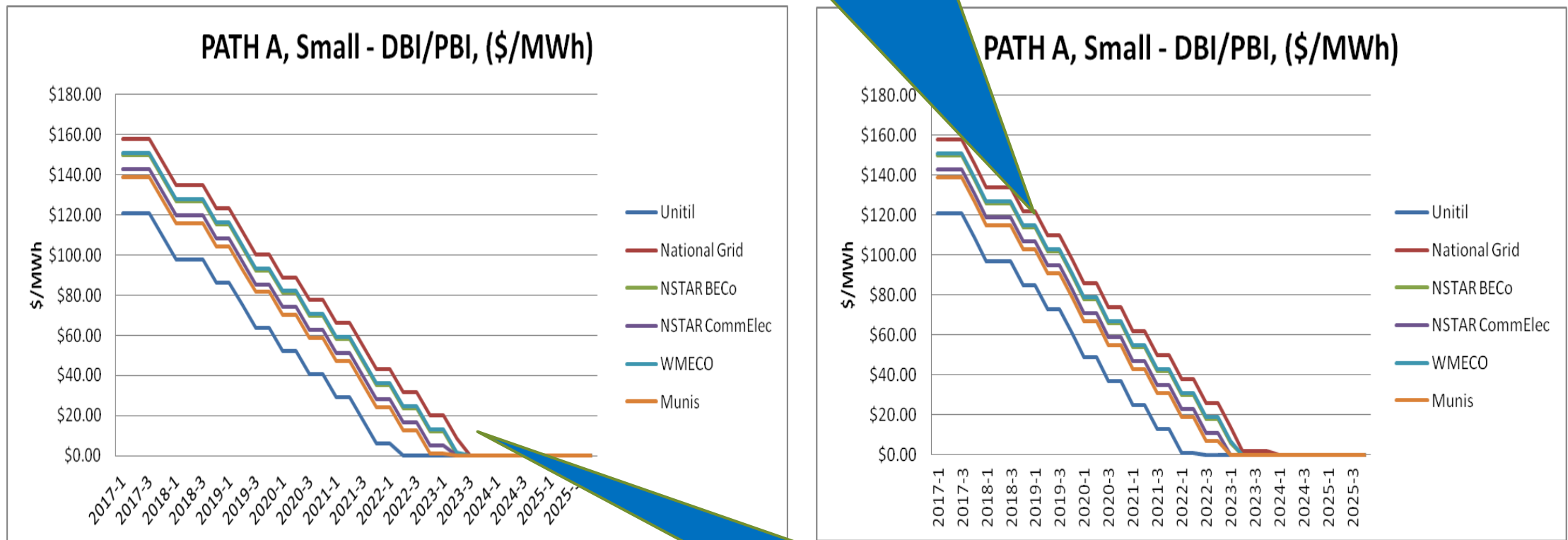
*La Capra Associates*

# Policy Path A – Small Residential DBI/PBI

Capped

Slightly different DBI clearing  
speed function of slightly  
different starting tech. potential  
(extremely marginal effect)

Uncapped



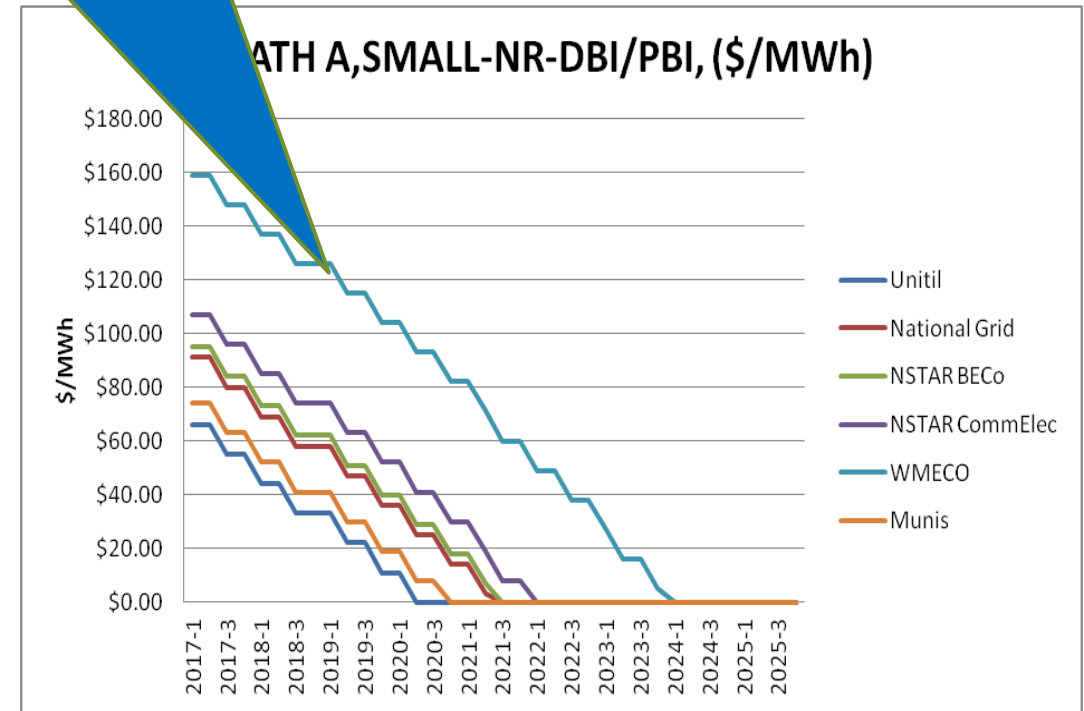
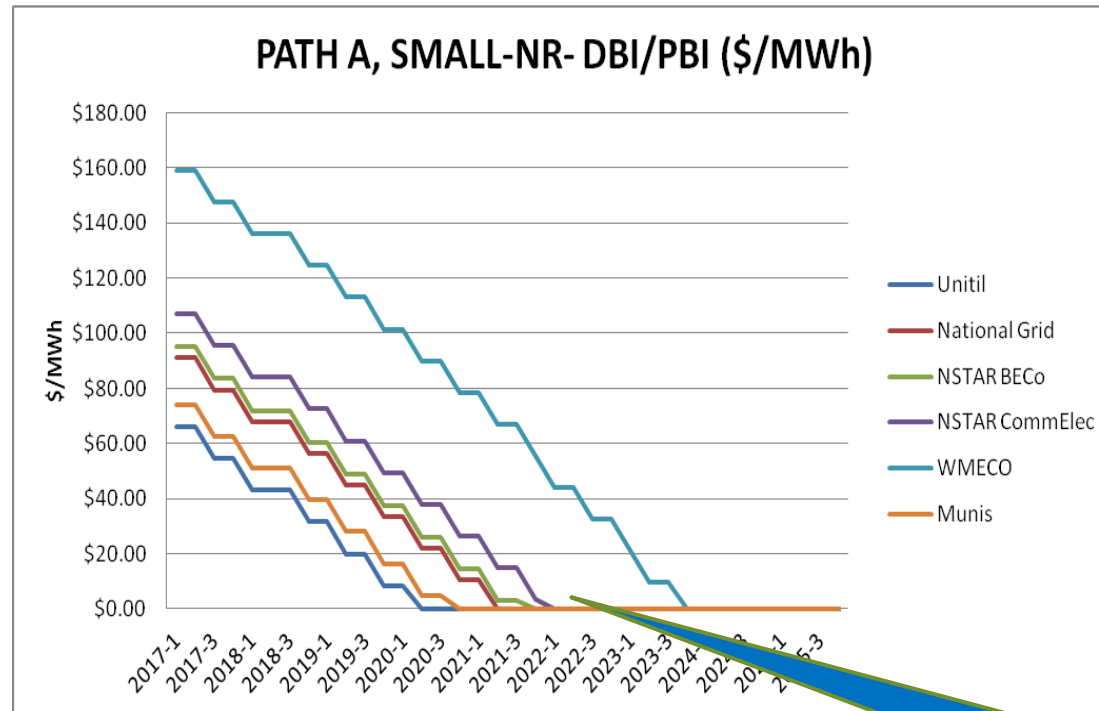
No PBI incentive needed Post-  
2023-Q2

# Policy Path A – Small Non-Residential DBI/PBI

Capped

Slightly different DBI clearing  
speed function of slightly  
different starting tech. potential  
(extremely marginal effect)

Uncapped



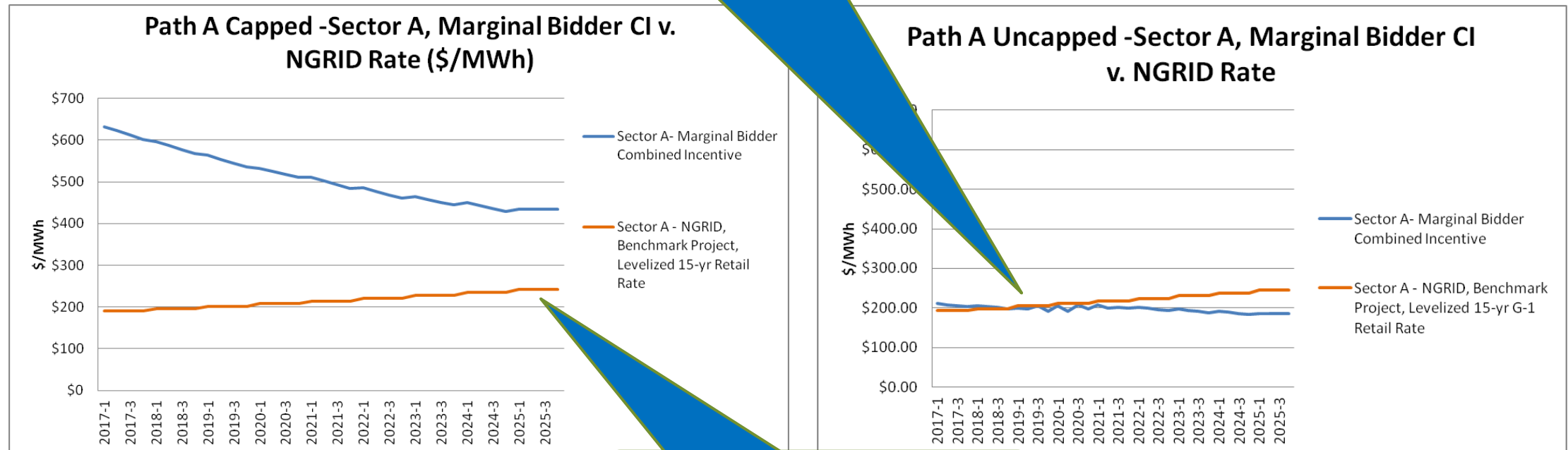
No PBI incentive needed Post-  
2021

# Policy Path A – Large Competitive PBI – Sector A

When lines cross, Sector A which is dominated by CSS and VNM LIH do not need PBI with VNM.

## Capped

## Uncapped

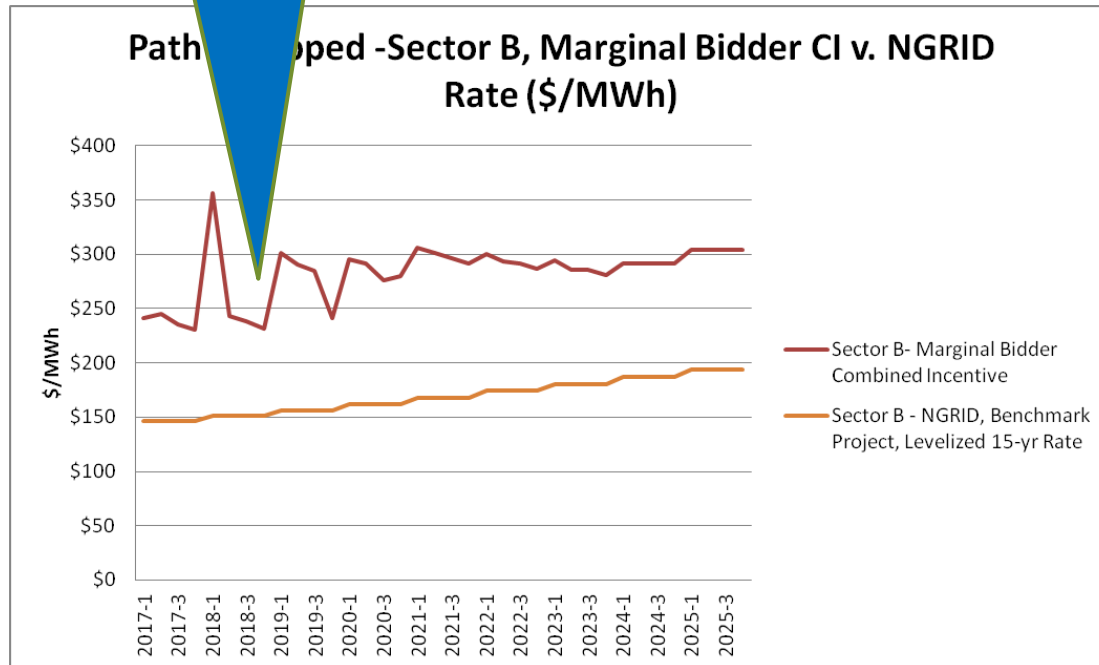


Marginal bid moves to convergence with rates, all Sectors.

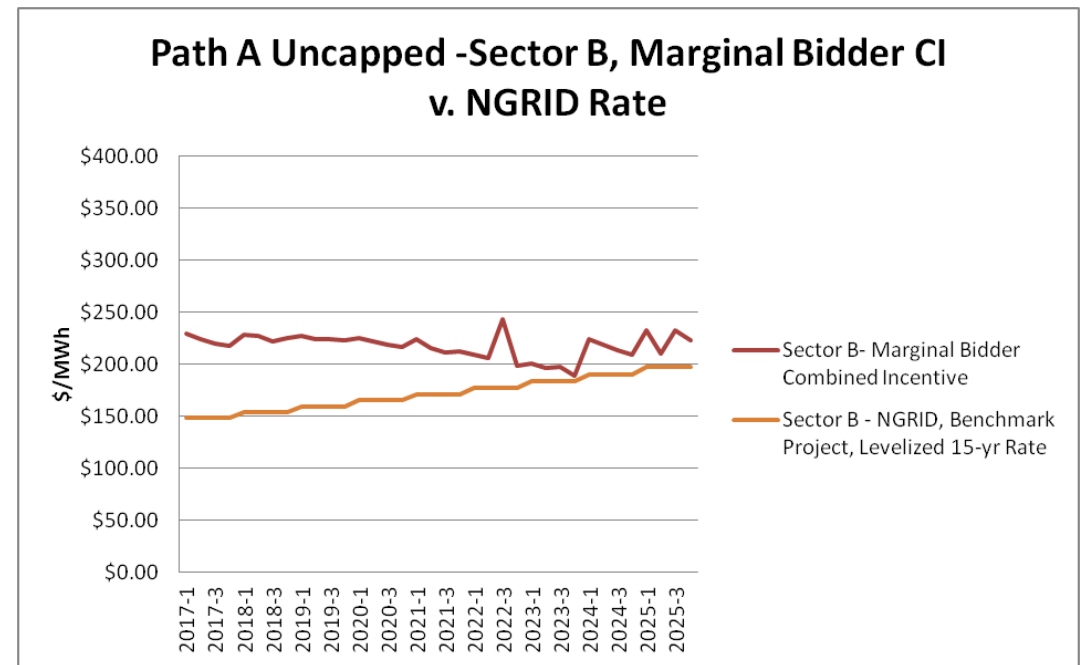
# Policy Path A – Large Competitive PBI – Sector B

Spikes reflect supply lumpiness and modeling method.

## Capped

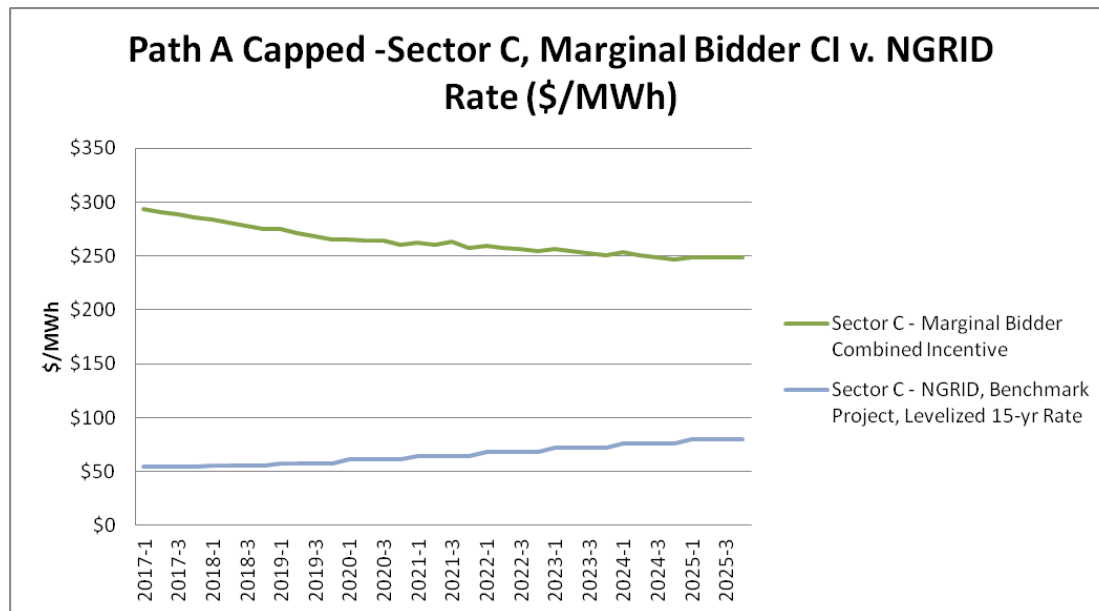


## Uncapped

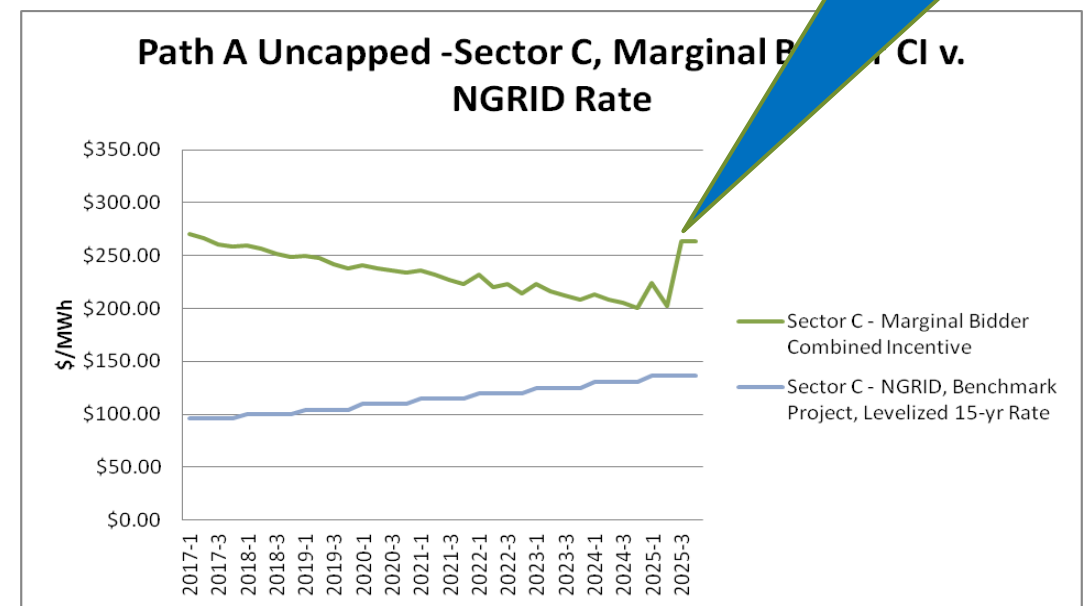


# Policy Path A – Large Competitive PBI – Sector C

## Capped



## Uncapped



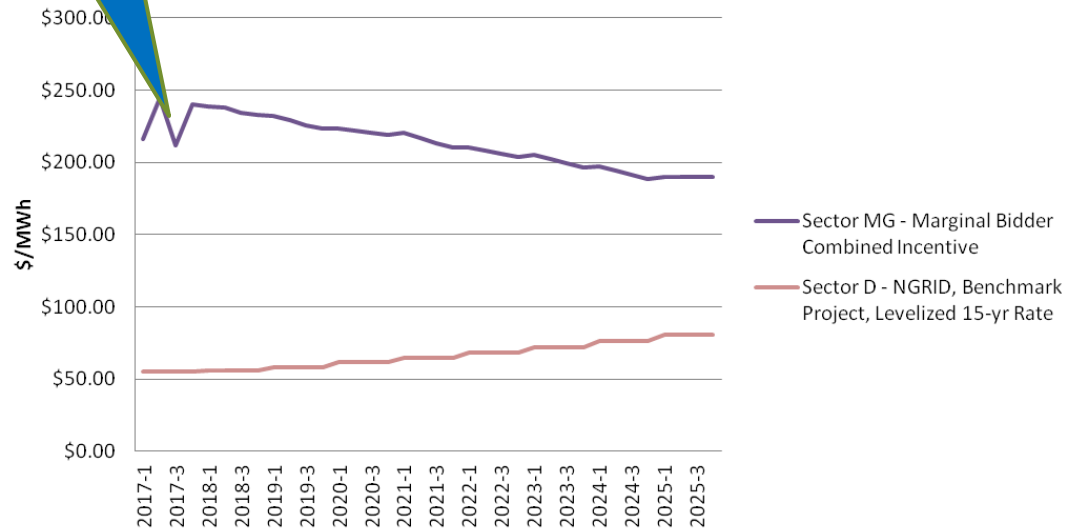
Higher Marginal Bid is function of modeling constraints, and not likely to be seen in practice. See Note.

# Policy Path A – Large Competitive PBI – Sector D

Spikes are  
reflective of  
“Price is  
Right”  
Modeling  
Assumption

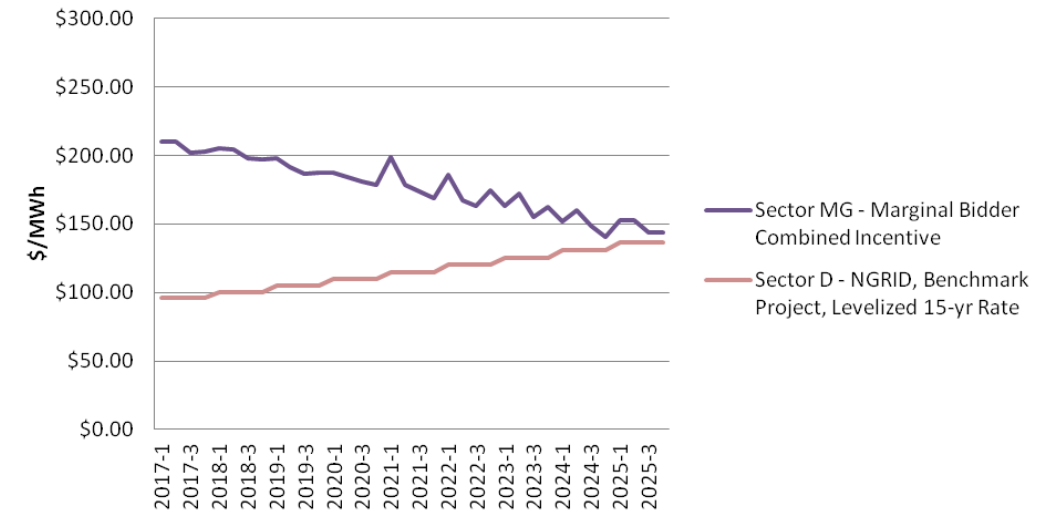
## Capped

Path A Capped -Sector MG, Marginal Bidder CI v. NGRID Rate



## Uncapped

Path A Uncapped -Sector MG, Marginal Bidder CI v. NGRID Rate

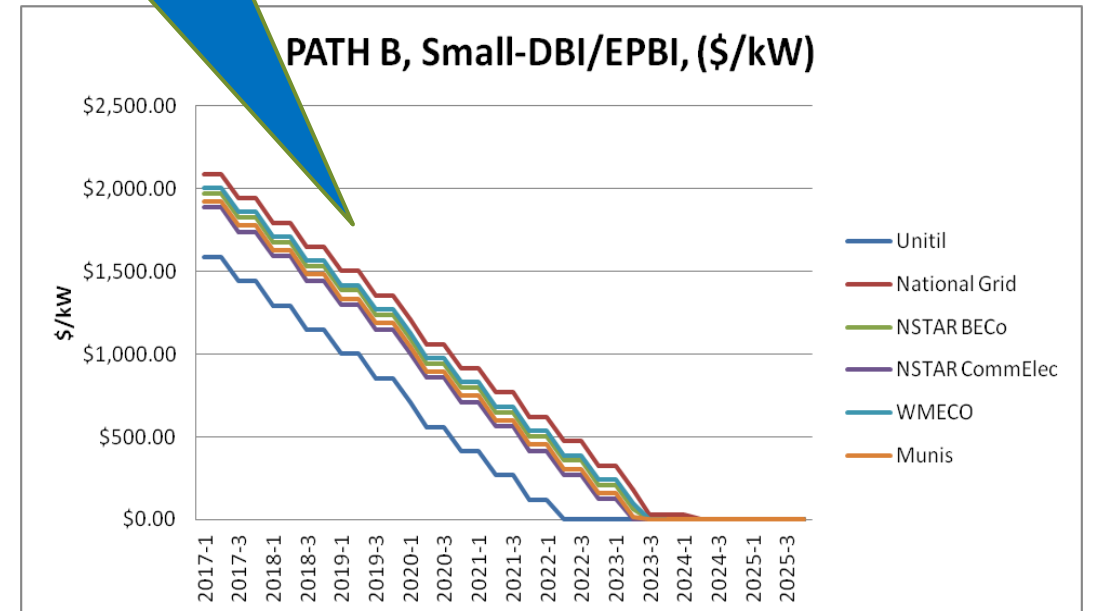
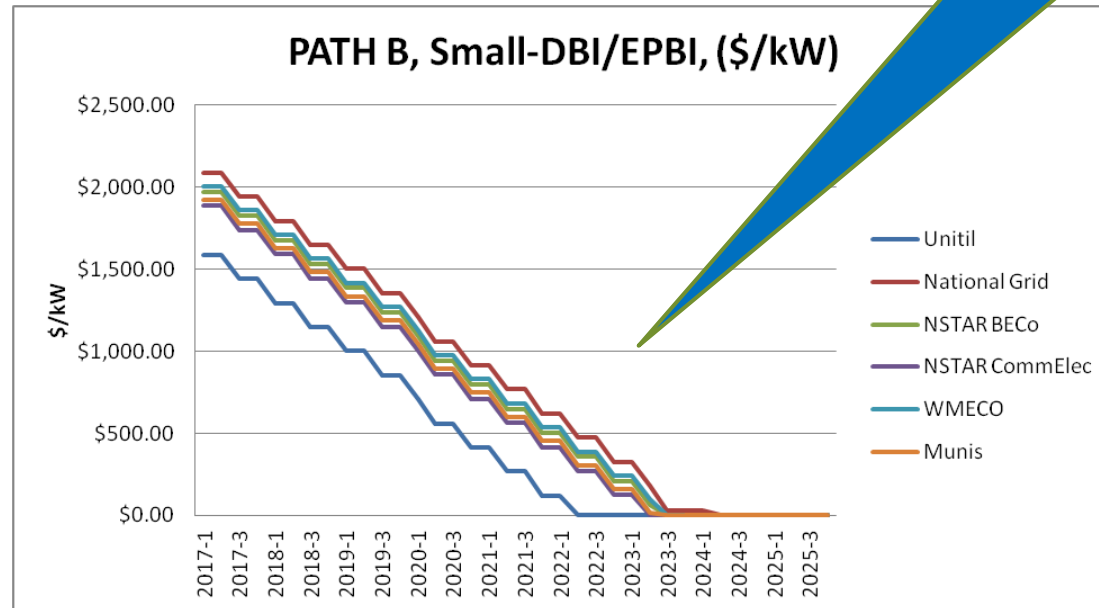


# Policy Path B – Small Residential DBI/EPBI

Capped

Same for Both NM/  
no NM

Uncapped



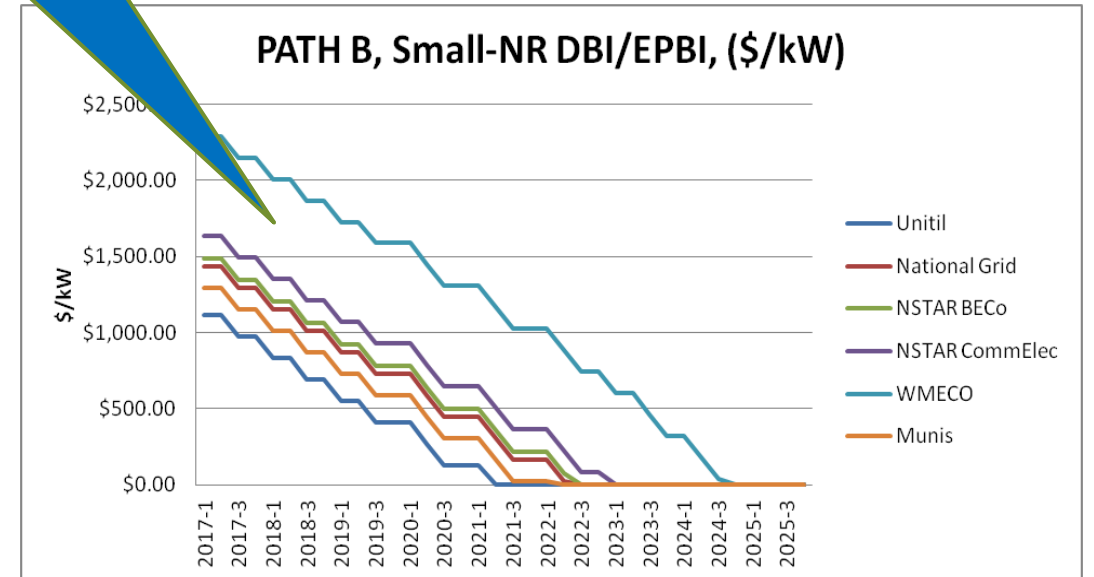
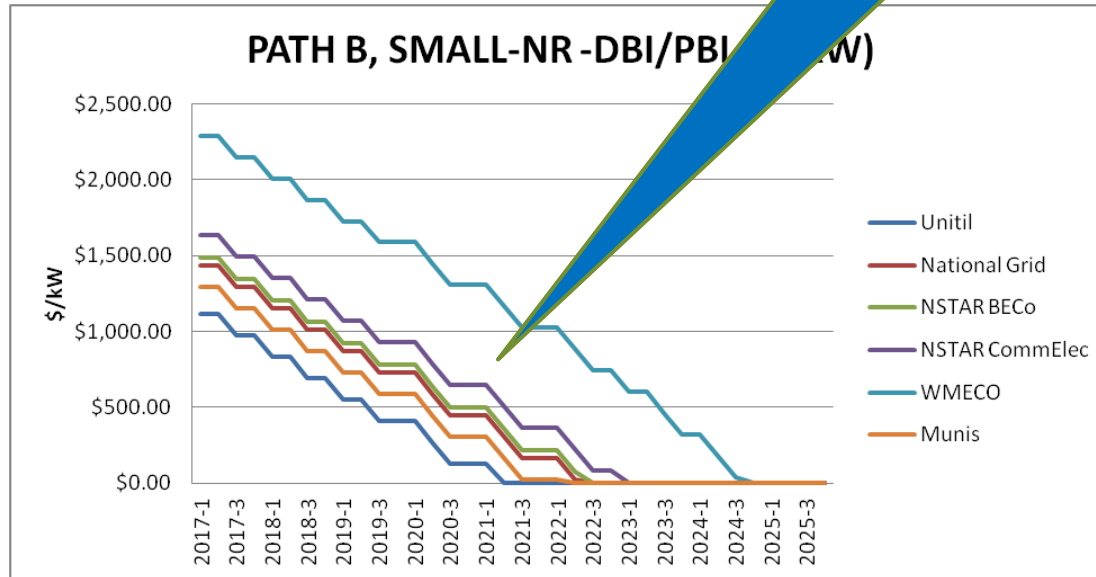


# Policy Path B – Small Non-Residential DBI/EPBI

Capped

Same for Both NM/  
no NM

Uncapped

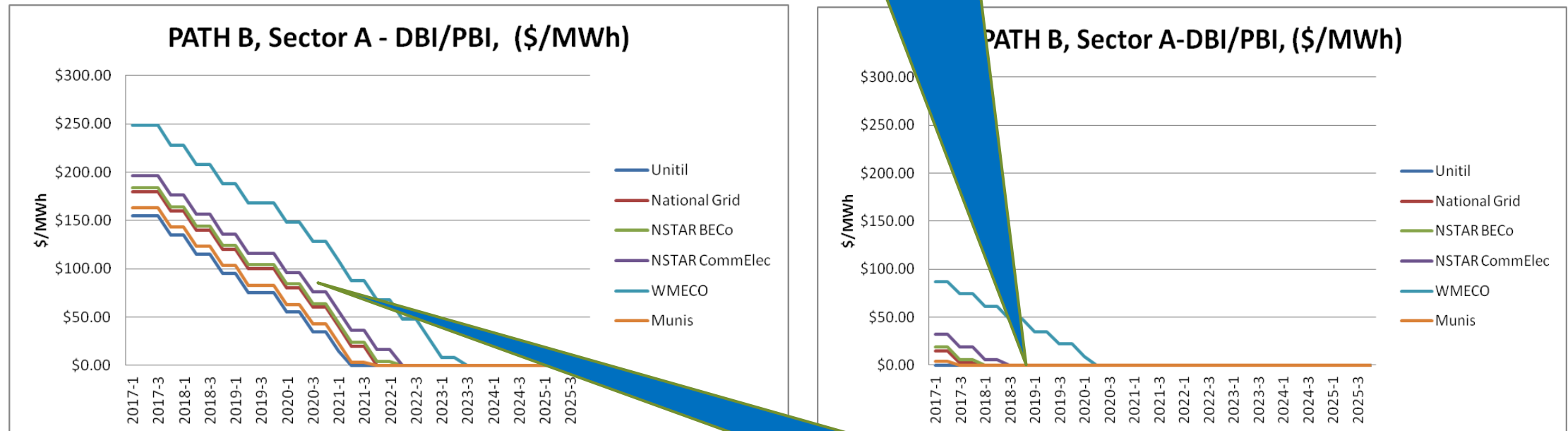


# Policy Path B – Sector A DBI/PBI

**Capped**

**Uncapped**

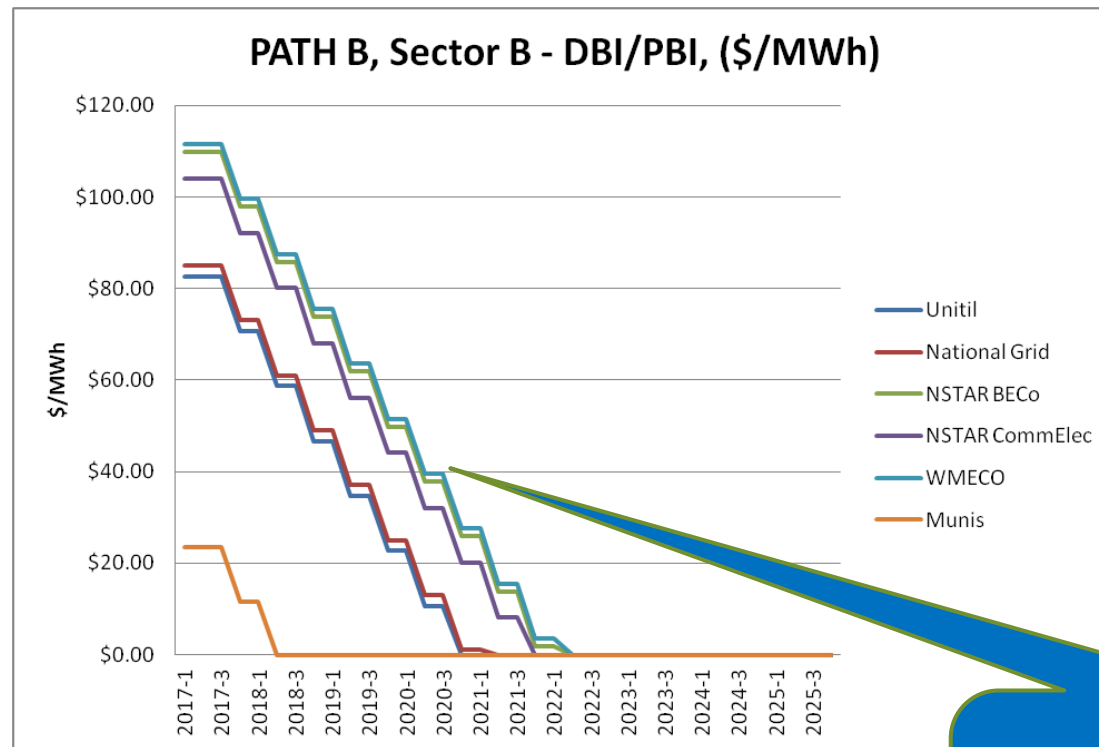
By 2019, CSS and  
VNM LIH are no  
longer dependent on  
PBI at current NM  
levels



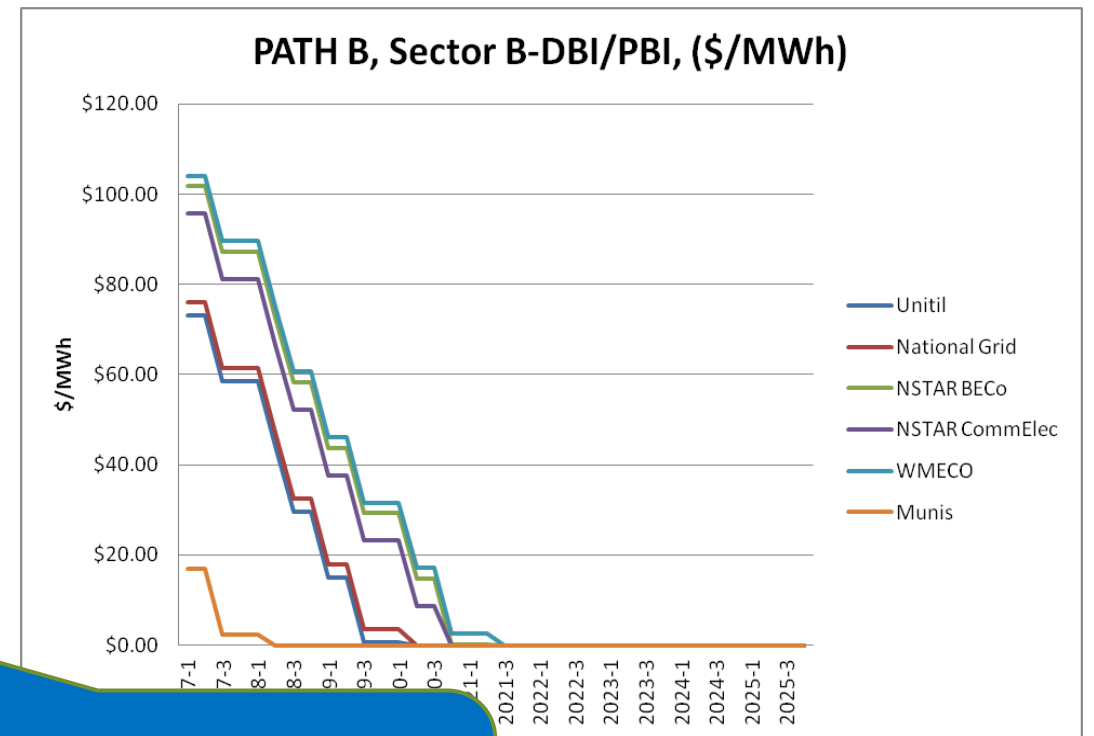
Comparative PBI levels  
must be viewed in context  
of lowered target (25%-  
10%)

# Policy Path B – Sector B DBI/PBI

## Capped



## Uncapped



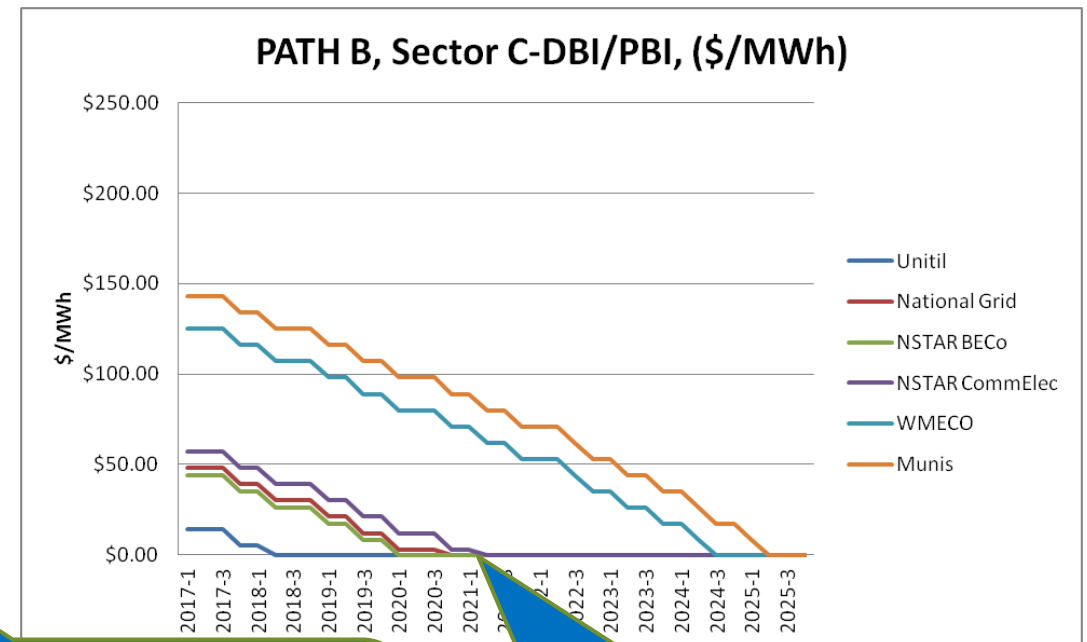
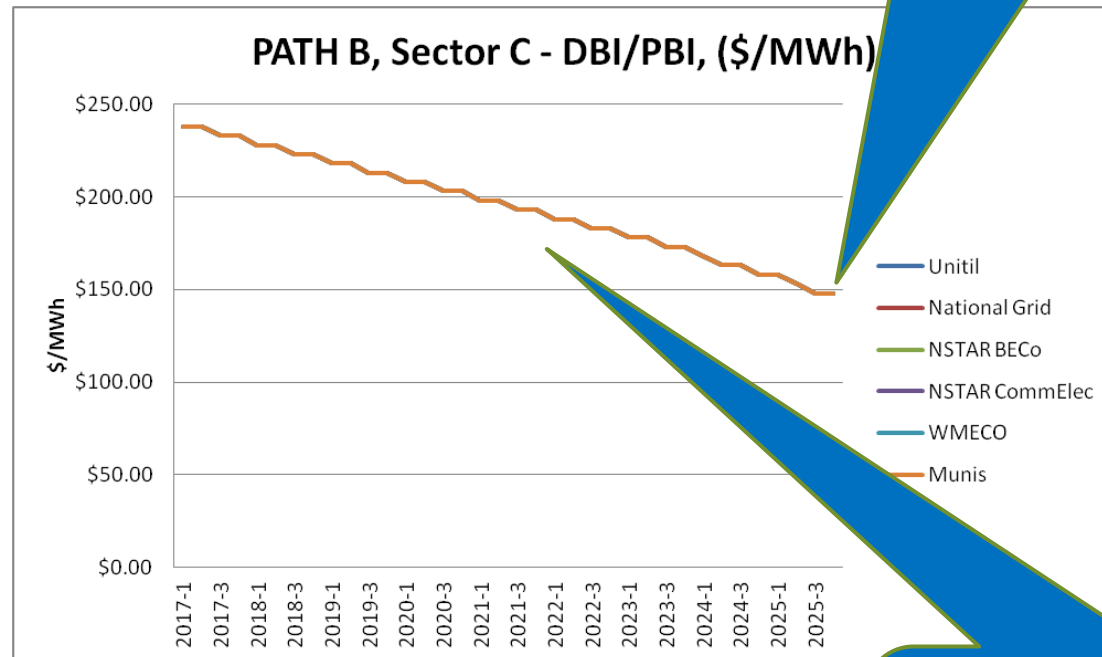
Comparative PBI levels  
must be viewed in context  
of raised target (25%-30%)

# Policy Path B – Sector C DBI/PBI

Capped

Uncapped

Without NM retail rate is QF  
wholesale rate which is  
assumed equal across utility  
territories



Comparative PBI levels  
must be viewed in context  
of raised target (25%-30%)

Most growth post-2020  
is NM rate driven;  
signals no need for PBI  
after 2021

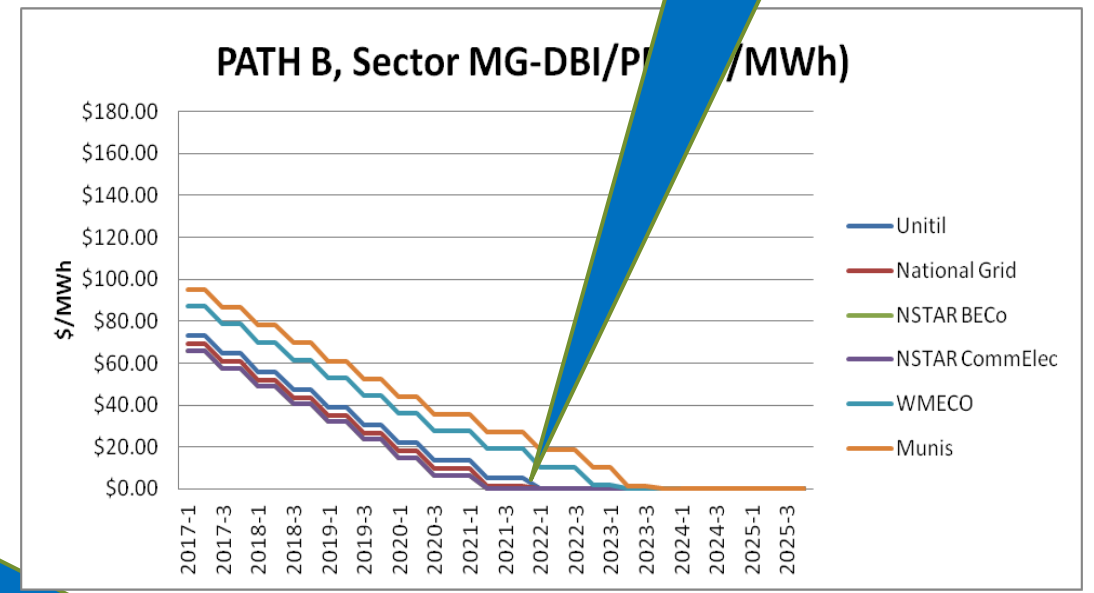
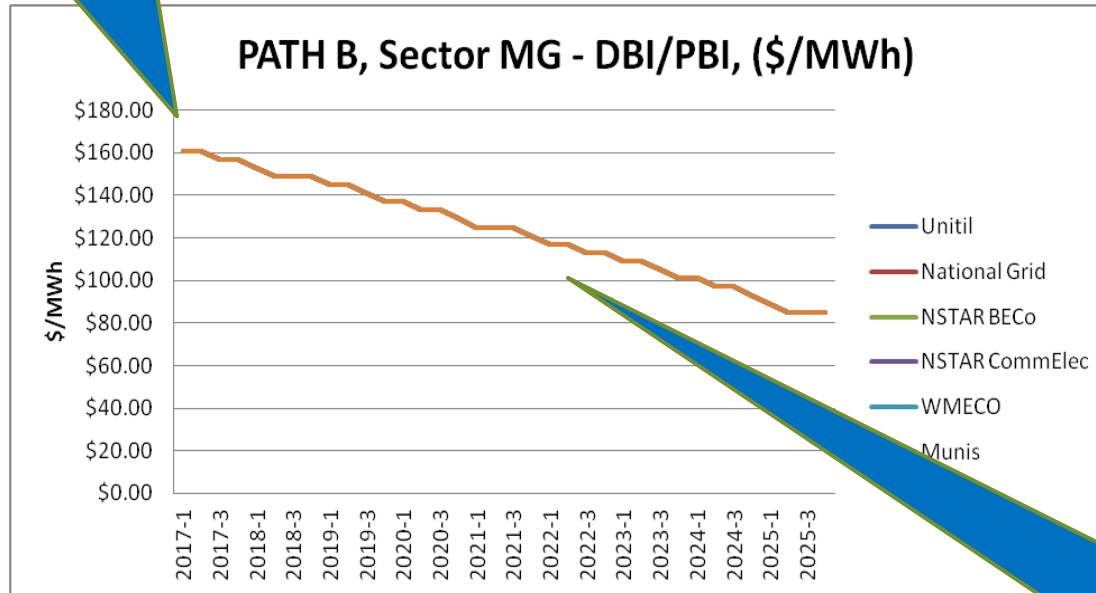
# Policy Path B – Sector MG DBI/PBI

Without NM retail rate is QF wholesale rate which is assumed equal across utility territories

Capped

Uncapped

Most growth post 2021 is NM Rate Driven



Comparative PBI levels must be viewed in context of raised target (25%-30%)